



CABINET FOR HUMAN RESOURCES  
COMMONWEALTH OF KENTUCKY  
FRANKFORT 40621

DEPARTMENT FOR SOCIAL INSURANCE  
"An Equal Opportunity Employer M/F/D"

KASES Network Memo No. 35

TO: Staff, Division of Child Support Enforcement  
All IV-D Agents

FROM: Steven P. Veno, Director *SPV*  
Division of Child Support Enforcement

DATE: October 13, 1995

SUBJECT: Electronic Funds Transfer

Income withholding has become the primary means for the collection of child support payments. Under current law, with few exceptions, all child support orders must contain a provision for the immediate withholding of wages.

Procedures have been developed to electronically transmit and receive child support payments from other collection agencies. The Electronic Funds Transfer (EFT) process is also available on KASES to electronically transmit child support payments to clients. This approach assures prompt distribution, provides adequate records to document payment of support, and permits the tracking and monitoring of such payments. EFT eliminates mail and processing time associated with child support payments.

All employers and agencies will be given the opportunity to utilize EFT processing. If an employer or agency responds positively, DCSE will provide information regarding the bank routing code and other appropriate information. All transactions will be conducted through magnetic tapes, going through the Automated Clearing House.

**AT THIS TIME, ONLY COLLECTION AGENCIES WILL BE PROCESSING FOR OUTGOING EFT.**

Eventually, EFT processing will be available for child support clients. This process will allow CHR to direct deposit child support payments to the client's personal checking or savings account. Staff will be notified when this process is operational for client use. Clients will receive written mail notification of the availability of EFT processing in the future.

The Financial Management Menu screen (ASEMFA) has two options restricted to managers only. However, Mr. Bruce Paul, Posting Section Supervisor, is solely responsible for creating and updating the EFT process. Managers are to contact Mr. Paul, 502-564-2285, extension 447, if a request is received for EFT.

An EFT indicator field displays on the Create/Update Participant Data screen (ASEC2A) as either "Y" (yes) or "N" (no). Workers cannot update this field. If EFT is active for the client, the indicator will be "Y." This indicator will default to "N." As EFT is not available for clients at this time, all indicators will display "N."

An EFT indicator field is also displayed on the Create/Update Employer/Agency Data screen (ASEEMB) and the Inquire Employer/Agency Data screen (ASEEMD) to indicate when the EFT has been established for the collection agency. The "Y" indicator means that CHR is actively transmitting outgoing payments to that agency by the EFT process.

Payments sent out by the EFT process will appear on the Daily Payee Disbursement Register (CSR-04) report and the AP Register by Check Number (CSR-50) report on the Report Management and Distribution System (RMDS) file with a check number starting with the prefix of EFT. The totals for the amount and number of EFT transactions will appear at the end of each report.

Three daily reports are on RMDS regarding EFT Processing. Sixty (60) days are retained for inquiry. The totals for the amount and number of EFT transactions will appear at the end of each report. These reports are listed below:

HR CSR-80 INCOMING E.F.T. TRANS.  
HR CSR-81 ACH/EFT3RD PARTY COLL  
HR CSR-82 OUTGOING E.F.T. TRANS.

The CSR-80 will list the IV-D number, AP SSN, AP Name, Payment Amount, FIPS Code, Payment Date, Bank ID Number, Agency/Client Account Number. This report includes a Medical Support and Employment Terminated Indicator for payments received from another agency. Through the batch posting process, the agency may notify CHR that the absent parent's employment has been terminated or that Medical Insurance is available to the absent parent.

If the employment has been terminated, the responsible worker for the case will receive the worklist item, with a Priority 1 status.

EFTE          EMPL. TERMINATED-NOTIFIED BY EFT

When this worklist is received, the responsible worker is to update the employment record and take the necessary actions to locate the absent parent's next employer.

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If the agency notifies CHR that Medical Insurance is available to the absent parent, the responsible worker for the case will receive the worklist item, with a Priority 1 status:

EFTM MED.INS.AVAILABLE NOTIFIED BY EFT

The responsible worker is to take necessary actions to obtain the required medical information when the worklist is received.

The CSR-81 will list the Batch Number, Item Number, Social Security Number, Payment Type, Total Amount Collected, Total Unidentified Payor, Total Held at Participant Level, Total Held at Case Level, Total Distributed to Payee, Total Refunded to Payor and the Total Excess Amount. This report is currently not functional on RMDS but will be in the near future.

The CSR-82 will list the Disbursement Number, Payor Name, Out of State/IV-D Number, Payee Name of the Out of State Agency, Payment Amount, and the EFT Transaction (Check) Number.

Forms that deal with child support payment will be revised in the future to support EFT processing. Staff will be advised as each of these forms is changed to include the EFT availability and requirements.

Any inquiries received from other state agencies, collection sites, or employers regarding EFT processing are to be directed to Mr. Bruce Paul, Posting Section Supervisor, 502-564-2285, extension 447.

**Retention:** Until Superseded

**Inquiries:** DCSE Staff - Supervisors  
IV-D Agents - Compliance Analysts

